

**REPORT OF THE AUDIT OF THE  
FORMER MCCREARY COUNTY  
CLERK**

**For The Year Ended  
December 31, 2008**



**CRIT LUALLEN  
AUDITOR OF PUBLIC ACCOUNTS  
[www.auditor.ky.gov](http://www.auditor.ky.gov)**

**209 ST. CLAIR STREET  
FRANKFORT, KY 40601-1817  
TELEPHONE (502) 564-5841  
FACSIMILE (502) 564-2912**



**EXECUTIVE SUMMARY**

**AUDIT EXAMINATION OF THE  
FORMER MCCREARY COUNTY CLERK**

**For The Year Ended  
December 31, 2008**

The Auditor of Public Accounts has completed the former McCreary County Clerk's audit for the year ended December 31, 2008. Based upon the audit work performed, the financial statement presents fairly in all material respects, the revenues, expenditures, and excess fees in conformity with the regulatory basis of accounting.

**Financial Condition:**

Excess fees decreased by \$12,990 from the prior year, resulting in excess fees of \$56,584 as of December 31, 2008. Revenues increased by \$1,241 from the prior year and expenditures increased by \$14,231.

**Debt Obligations:**

Total debt principal as of December 31, 2008, was \$772. Future collections of \$950 are needed over the next four months to pay all debt principal and interest.

**Report Comments:**

- 2008-1 The Former County Clerk's Financial Records Were Not Accurate Or Complete
- 2008-2 The Former County Clerk Lacked Adequate Internal Controls Over Computerized Information
- 2008-3 The Former County Clerk Lacked Adequate Segregation Of Duties

**Deposits:**

The County Clerk's deposits were insured and collateralized by bank securities.



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**CRIT LUALLEN**  
**AUDITOR OF PUBLIC ACCOUNTS**

The Honorable Blaine Phillips, McCreary County Judge/Executive  
The Honorable Jo Kidd, Former County Clerk  
Members of the McCreary County Fiscal Court

Independent Auditor's Report

We have audited the accompanying statement of revenues, expenditures, and excess fees - regulatory basis of the former County Clerk of McCreary County, Kentucky, for the year ended December 31, 2008. This financial statement is the responsibility of the former County Clerk. Our responsibility is to express an opinion on this financial statement based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, and the Audit Guide for County Fee Officials issued by the Auditor of Public Accounts, Commonwealth of Kentucky. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statement. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As described in Note 1, the former County Clerk's office prepares the financial statement on a regulatory basis of accounting that demonstrates compliance with the laws of Kentucky, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

In our opinion, the financial statement referred to above presents fairly, in all material respects, the revenues, expenditures, and excess fees of the former County Clerk for the year ended December 31, 2008, in conformity with the regulatory basis of accounting described in Note 1.

In accordance with Government Auditing Standards, we have also issued our report dated March 5, 2010 on our consideration of the former McCreary County Clerk's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.



The Honorable Blaine Phillips, McCreary County Judge/Executive  
The Honorable Jo Kidd, Former McCreary County Clerk  
Members of the McCreary County Fiscal Court

Based on the results of our audit, we have presented the accompanying comments and recommendations, included herein, which discusses the following report comments:

- 2008-1 The Former County Clerk's Financial Records Were Not Accurate Or Complete
- 2008-2 The Former County Clerk Lacked Adequate Internal Controls Over Computerized Information
- 2008-3 The Former County Clerk Lacked Adequate Segregation Of Duties

This report is intended solely for the information and use of the former County Clerk and Fiscal Court of McCreary County, Kentucky, and the Commonwealth of Kentucky and is not intended to be and should not be used by anyone other than these specified parties.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Crit Luallen", with a long horizontal flourish extending to the right.

Crit Luallen  
Auditor of Public Accounts

March 5, 2010

MCCREARY COUNTY  
JO KIDD, FORMER COUNTY CLERK  
STATEMENT OF REVENUES, EXPENDITURES, AND EXCESS FEES - REGULATORY BASIS

For The Year Ended December 31, 2008

Revenues

State Grants

County Clerk Revenue Supplement	\$ 60,610	
Library and Archives	<u>3,819</u>	\$ 64,429

State Fees For Services 6,528

Fiscal Court 8,497

Licenses and Taxes:

Motor Vehicle-

Licenses and Transfers	453,088	
Usage Tax	505,497	
Tangible Personal Property Tax	744,648	

Other-

Fish and Game Licenses	4,652	
Marriage Licenses	5,077	
Occupational Licenses	196	
Deed Transfer Tax	17,723	
Delinquent Tax	<u>249,871</u>	1,980,752

Fees Collected for Services:

Recordings-

Deeds, Easements and Contracts	11,466	
Real Estate Mortgages	15,053	
Chattel Mortgages and Financing Statements	50,420	
Powers of Attorney	1,867	
Tangible Personal Property Tax Leins	10,065	
All Other Recordings	26,205	

Charges for Other Services-

Copywork	8,711	
Bail Bonds	<u>2,134</u>	125,921

Other:

Affordable Housing Trust Fund	18,162	
Miscellaneous	<u>7,083</u>	<u>25,245</u>

Total Revenues 2,211,372

The accompanying notes are an integral part of this financial statement.

MCCREARY COUNTY  
JO KIDD, FORMER COUNTY CLERK  
STATEMENT OF REVENUES, EXPENDITURES, AND EXCESS FEES - REGULATORY BASIS  
For The Year Ended December 31, 2008  
(Continued)

Expenditures

Payments to State:

Motor Vehicle-

Licenses and Transfers \$ 308,672

Usage Tax 490,164

Tangible Personal Property Tax 290,452

Licenses, Taxes, and Fees-

Fish and Game Licenses 4,652

Delinquent Tax 61,656

Legal Process Tax 17,440

Affordable Housing Trust Fund 18,162 \$ 1,191,198

Payments to Fiscal Court:

Tangible Personal Property Tax 120,267

Delinquent Tax 24,912

Deed Transfer Tax 17,628

Occupational Licenses 183 162,990

Payments to Other Districts:

Tangible Personal Property Tax 304,714

Delinquent Tax 126,486 431,200

Payments to Sheriff

2,548

Operating Expenditures and Capital Outlay:

Personnel Services-

Deputies' Salaries 147,930

Part-Time Salaries 17,735

Employee Benefits-

Employer's Share Social Security 17,759

Employer's Share Retirement 33,239

Employer's Paid Health Insurance 34,997

Unemployment Insurance 841

Contracted Services-

Advertising 831

Accounting Services 1,166

Computer Software & Maintenance 8,950

The accompanying notes are an integral part of this financial statement.

MCCREARY COUNTY  
JO KIDD, FORMER COUNTY CLERK  
STATEMENT OF REVENUES, EXPENDITURES, AND EXCESS FEES - REGULATORY BASIS  
For The Year Ended December 31, 2008  
(Continued)

Expenditures (Continued)

Operating Expenditures and Capital Outlay: (Continued)

Materials and Supplies-			
Office Supplies	\$	7,721	
Other Charges-			
Dues		450	
Postage		4,538	
Phone Expense		2,497	
Miscellaneous		3,124	
Refunds		896	
Capital Outlay-			
Library and Archives Equipment		<u>3,819</u>	\$ 286,493
Debt Service:			
Lease Purchases		<u>2,849</u>	
Total Expenditures			\$ 2,077,278
Less: Disallowed Expenditures			
Overpayment to Employee's Credit Union			<u>110</u>
Total Allowable Expenditures			<u>2,077,168</u>
Net Revenues			134,204
Less: Statutory Maximum			<u>74,020</u>
Excess Fees			60,184
Less: Expense Allowance			<u>3,600</u>
Excess Fees Due County for 2008			56,584
Payments to Fiscal Court - March 10, 2009			<u>38,000</u>
Balance Due Fiscal Court at Completion of Audit			<u>\$ 18,584</u>

The accompanying notes are an integral part of this financial statement.

MCCREARY COUNTY  
NOTES TO FINANCIAL STATEMENT

December 31, 2008

Note 1. Summary of Significant Accounting Policies

A. Fund Accounting

A fee official uses a fund to report on the results of operations. A fund is a separate accounting entity with a self-balancing set of accounts. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities.

A fee official uses a fund for fees to account for activities for which the government desires periodic determination of the excess of revenues over expenditures to facilitate management control, accountability, and compliance with laws.

B. Basis of Accounting

KRS 64.820 directs the fiscal court to collect any amount, including excess fees, due from the County Clerk as determined by the audit. KRS 64.152 requires the County Clerk to settle excess fees with the fiscal court by March 15 each year.

The financial statement has been prepared on a regulatory basis of accounting, which demonstrates compliance with the laws of Kentucky and is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. Under this regulatory basis of accounting, revenues and expenditures are generally recognized when cash is received or disbursed with the exception of accrual of the following items (not all-inclusive), at December 31 that may be included in the excess fees calculation:

- Interest receivable
- Collection on accounts due from others for 2008 services
- Reimbursements for 2008 activities
- Payments due other governmental entities for December tax and fee collections and payroll
- Payments due vendors for goods or services provided in 2008

The measurement focus of a fee official is upon excess fees. Remittance of excess fees is due to the County Treasurer in the subsequent year.

C. Cash and Investments

At the direction of the fiscal court, KRS 66.480 authorizes the County Clerk's office to invest in the following, including but not limited to, obligations of the United States and of its agencies and instrumentalities, obligations and contracts for future delivery or purchase of obligations backed by the full faith and credit of the United States, obligations of any corporation of the United States government, bonds or certificates of indebtedness of this state, and certificates of deposit issued by or other interest-bearing accounts of any bank or savings and loan institution which are insured by the Federal Deposit Insurance Corporation (FDIC) or which are collateralized, to the extent uninsured, by any obligation permitted by KRS 41.240(4).

MCCREARY COUNTY  
NOTES TO FINANCIAL STATEMENT  
December 31, 2008  
(Continued)

Note 2. Employee Retirement System

The county officials and employees have elected to participate in the County Employees Retirement System (CERS), pursuant to KRS 78.530 administered by the Board of Trustees of the Kentucky Retirement Systems. This is a cost-sharing, multiple-employer, defined benefit pension plan that covers all eligible full-time employees and provides for retirement, disability, and death benefits to plan members.

Benefit contributions and provisions are established by statute. Nonhazardous covered employees are required to contribute 5.0 percent of their salary to the plan. The county's contribution rate for nonhazardous employees was 16.17 percent for the first six months and 13.50 percent for the last six months of the year.

Benefits fully vest on reaching five years of service for nonhazardous employees. Aspects of benefits for nonhazardous employees include retirement after 27 years of service or age 65.

Historical trend information pertaining to CERS' progress in accumulating sufficient assets to pay benefits when due is presented in the Kentucky Retirement Systems' annual financial report which is a matter of public record. This report may be obtained by writing the Kentucky Retirement Systems, 1260 Louisville Road, Frankfort, Kentucky 40601-6124, or by telephone at (502) 564-4646.

Note 3. Deposits

The former McCreary County Clerk maintained deposits of public funds with depository institutions insured by the Federal Deposit Insurance Corporation (FDIC) as required by KRS 66.480(1)(d). According to KRS 41.240(4), the depository institution should pledge or provide sufficient collateral which, together with FDIC insurance, equals or exceeds the amount of public funds on deposit at all times. In order to be valid against the FDIC in the event of failure or insolvency of the depository institution, this pledge or provision of collateral should be evidenced by an agreement between the County Clerk and the depository institution, signed by both parties, that is (a) in writing, (b) approved by the board of directors of the depository institution or its loan committee, which approval must be reflected in the minutes of the board or committee, and (c) an official record of the depository institution.

Custodial Credit Risk - Deposits

Custodial credit risk is the risk that in the event of a depository institution failure, the County Clerk's deposits may not be returned. The former McCreary County Clerk does not have a deposit policy for custodial credit risk but rather follows the requirements of KRS 41.240(4). As of December 31, 2008, all deposits were covered by FDIC insurance or a properly executed collateral security agreement.

MCCREARY COUNTY  
 NOTES TO FINANCIAL STATEMENT  
 December 31, 2008  
 (Continued)

Note 4. Grants

The former McCreary County Clerk has received two grants from the Kentucky Department for Libraries and Archives. During 2006 a local records microfilming grant was received in the amount of \$5,321. And during 2008 an equipment grant was received in the amount of \$3,819. Funds totaling \$3,819 were expended in calendar year 2008. The unexpended grant balance was \$5,321 as of December 31, 2008.

Note 5. Lease

The McCreary County Clerk was committed to a lease agreement for a copying machine. The agreement requires a monthly payment of \$237 for 48 months to be completed on April 1, 2009. The total balance of the agreement was \$950 as of December 31, 2008.

Item Purchased	Monthly Payment	Term Of Agreement	Ending Date	Principal Balance December 31, 2008
Copier	\$ 237	48 months	April 1, 2009	\$ 772

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND  
ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF THE FINANCIAL  
STATEMENT PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS





**CRIT LUALLEN**  
**AUDITOR OF PUBLIC ACCOUNTS**

The Honorable Blaine Phillips, McCreary County Judge/Executive  
The Honorable Jo Kidd, Former McCreary County Clerk  
Members of the McCreary County Fiscal Court

**Report On Internal Control Over Financial Reporting And  
On Compliance And Other Matters Based On An Audit Of The Financial  
Statement Performed In Accordance With Government Auditing Standards**

We have audited the statement of revenues, expenditures, and excess fees - regulatory basis of the former McCreary County Clerk for the year ended December 31, 2008, and have issued our report thereon dated March 5, 2010. The former County Clerk's financial statement is prepared in accordance with a basis of accounting other than generally accepted accounting principles. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the former McCreary County Clerk's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statement, but not for the purpose of expressing an opinion on the effectiveness of the County Clerk's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the County Clerk's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider to be significant deficiencies.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with the regulatory basis of accounting such that there is more than a remote likelihood that a misstatement of the entity's financial statement that is more than inconsequential will not be prevented or detected by the entity's internal control over financial reporting. We consider the deficiencies described in the accompanying comments and recommendations as items 2008-1, 2008-2, and 2008-3 to be significant deficiencies in internal control over financial reporting.



Report On Internal Control Over Financial Reporting And  
On Compliance And Other Matters Based On An Audit Of The Financial  
Statement Performed In Accordance With Government Auditing Standards  
(Continued)

Internal Control Over Financial Reporting (Continued)

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statement will not be prevented or detected by the entity's internal control. Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, we consider the significant deficiencies described above to be material weaknesses.

Compliance And Other Matters

As part of obtaining reasonable assurance about whether the former McCreary County Clerk's financial statement for the year ended December 31, 2008, is free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed one instance of noncompliance or other matters that is required to be reported under Government Auditing Standards and which is described in the accompanying comments and recommendations as item 2008-1.

The former McCreary County Clerk's responses to the findings identified in our audit are included in the accompanying comments and recommendations. We did not audit the County Clerk's responses and, accordingly, we express no opinion on them.

This report is intended solely for the information and use of management, the McCreary County Fiscal Court, and the Department for Local Government and is not intended to be and should not be used by anyone other than these specified parties.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Crit Luallen", with a stylized flourish at the end.

Crit Luallen  
Auditor of Public Accounts

March 5, 2010

## COMMENTS AND RECOMMENDATIONS



MCCREARY COUNTY  
JO KIDD, FORMER COUNTY CLERK  
COMMENTS AND RECOMMENDATIONS

For The Year Ended December 31, 2008

FINANCIAL STATEMENT FINDINGS:

2008-1 The Former County Clerk's Financial Records Were Not Accurate Or Complete

The former County Clerk's financial records for the 2008 fee account were not accurate. During the course of the audit, the auditor noted the following:

- a. The former County Clerk's software did not produce an accurate 4<sup>th</sup> quarter financial report. The totals per quarterly report did not agree to the former County Clerk's receipts and disbursements ledgers and did not include lease liabilities.  
*Former County Clerk's Response: 4<sup>th</sup> quarter was included with year ending report.*
- b. Additionally, the 4<sup>th</sup> quarter financial report submitted to the Department for Local Government was not properly reconciled. The summary and reconciliation page show a book balance of \$49,108 and a reconciled bank balance of \$36,540 for a difference of \$12,568. A properly reconciled quarterly financial report will show no difference between book balance and reconciled bank balance.
- c. All receipts were not deposited intact daily. During January, February, and March of 2008 the former County Clerk used cash revenues to purchase postage. The postage was documented and subtracted from the total revenues on the daily checkout sheet. Unrecorded postage expense was \$753.  
*Former County Clerk's Response: Was changed and daily checks written.*
- d. No documented evidence was found that accounting records were completely reviewed. Evidence was found that daily checkout sheets were agreed to the receipts ledger and that check stubs were agreed to the disbursements register, but no evidence found that the receipts ledger was agreed to the bank deposits (see bullet e) or that the disbursements register was agreed to the cancelled checks (see bullet f).  
*Former County Clerk's Response: I reviewed them or Doris did if I did not.*
- e. The amounts posted to the receipts ledger agreed to the daily checkout sheets but did not agree with amounts deposited into the official's fee account. A total of \$2,091 of receipts deposited during 2008 was not recorded in the ledger. Additionally, a total of \$2,189 of receivables collected in 2009 was not recorded in the ledger.  
*Former County Clerk's Response: These were postage for first 3 months. The check for \$2,189 was a receipt from the state to late to post to 2008. It was received after I left office but was duly deposited in 2008 acc.*
- f. The amounts posted to the disbursements ledger agreed to the check stubs but the check stubs did not agree with the cancelled checks. Auditor made 26 adjustments, totaling \$23,471, to account for items recorded in the ledger inaccurately.  
*Former County Clerk's Response: These were just a matter of being posted in different acc. than the auditors wanted them to be.*

*Auditor Response: The adjustment amount does not include reclassifications. In order to agree the former clerk's disbursements ledger to the cancelled checks, auditors had to remove postings totaling \$23,471.*

MCCREARY COUNTY  
 JO KIDD, FORMER COUNTY CLERK  
 COMMENTS AND RECOMMENDATIONS  
 For The Year Ended December 31, 2008  
 (Continued)

FINANCIAL STATEMENT FINDINGS: (Continued)

2008-1 The Former County Clerk's Financial Records Were Not Accurate Or Complete (Continued)

- g. The former County Clerk did not accurately report salaries and employer share of social security and retirement. The salaries and benefits reported did not agree to the individual earnings records (W-2). The State Local Finance Officer requires the reporting of salaries at gross and employer share of benefits to be listed separate from the employee withholdings. Additionally, other services (see bullet h) were reported as employee benefits.
- h. Payments to the outside bookkeeping service were improperly reported as employee benefits. These payments along with payments to the Credit Union for employee withholdings were combined as 'other payroll'. The former County Clerk had a verbal contract with the service to prepare payroll. Therefore, this expenditure should have been classified as "contract services" and as noted above (bullet g).

*Former County Clerk's Response: This was a misunderstanding in where to post it. We post where we think it should go.*

KRS 68.210 gives the State Local Finance Officer the authority to require A Uniform System of Accounts which includes, but is not limited to, depositing receipts intact, properly and accurately recording receipts and expenditures, expenditures by check only, and monthly bank reconciliation. This deficiency required auditors to expand testing procedures in order to ensure an accurate accounting of all revenues and expenditures. The former County Clerk should have maintained financial records that were in compliance with the Uniform System of Accounts as required by the State Local Finance Officer.

*Former County Clerk's Response: For the first 3 months cash receipts were kept for postage after that we wrote checks for postage. This was the way (cash receipts) we had done for 25 years.*

2008-2 The Former County Clerk Lacked Adequate Internal Controls Over Computerized Information

During our review of internal controls over computerized accounting information, we noted several significant deficiencies. A back-up of the computerized information was performed only on a periodic basis. The former County Clerk did not have off-site storage of files, systems, programs, and other related documentation. Additionally, the former County Clerk was not knowledgeable on how to operate or access the computerized accounting system. The only employee who was knowledgeable and accessed the computerized accounting system was the part-time bookkeeper. Therefore, the former County Clerk did not have adequate procedures in place if an emergency situation occurred. The former County Clerk should have had an understanding of her accounting system and strengthened internal controls by creating an emergency plan.

*Former County Clerk's Response: The files & systems were stored in our vault.*

MCCREARY COUNTY  
JO KIDD, FORMER COUNTY CLERK  
COMMENTS AND RECOMMENDATIONS  
For The Year Ended December 31, 2008  
(Continued)

FINANCIAL STATEMENT FINDINGS: (Continued)

2008-3 The Former County Clerk's Office Lacked Adequate Segregation Of Duties

The former County Clerk's office lacked adequate segregation of duties. During the course of evaluating the office's internal controls, the following deficiencies were noted:

- (a) Post-dated checks, disputed items, unidentified receipts, returned checks, bank charge backs, and all similar items were investigated by the former County Clerk. In addition the former clerk completed the daily checkouts started by another employee, prepared daily bank deposits, and compared ledger totals to the quarterly reports.
- (b) The former County Clerk prepared checks and was the authorized signer of the account along with being the main purchaser.  
*Former County Clerk's Response: 2 deputies were responsible for purchases.*
- (c) No evidence was found that supporting documentation was examined and approved by the former clerk before she made payment. *Former County Clerk's Response: Yes, they were checked.*
- (d) Only one cash register was available and was utilized by all employees that collect cash receipts.  
*Former County Clerk's Response: The one cash register was the system used for 25 years. If I had finished my term, I was going to purchase a different system. This would have been easier on me. But since I was leaving, I thought the new clerk should be able to select the equipment they wanted to use.*
- (e) The bookkeeper prepared the receipt ledger and another employee or the former clerk compared the ledger to the total receipts listed on the daily checkout but no one compared the ledger to actual bank deposits or compared individual account totals to the daily checkout sheets.  
*Former County Clerk's Response: Daily check out sheets were done at the end of each day, and when deposit was made, this was compared to each daily sheet.*
- (f) Employees were not required to reconcile the bank accounts or to reconcile the ledgers to the bank accounts; therefore, there were no controls in place to ensure that the clerk's records reconciled to the bank records.

The former County Clerk should have adequately segregated duties or instituted sufficient compensating controls to offset internal control deficiencies and maintained evidence of the compensating controls instituted.

